

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket No. 2019-084-10033R

Parcel No. 03-29-176-007

Leslie K. and Carol C. Veen,

Appellants,

vs.

Sioux County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on September 26, 2019. Leslie and Carol Veen are self-represented and asked that the appeal proceed without a hearing. County Assessor Ross Simmelink represents the Sioux County Board of Review.

The Veens own a residential property located at 807 Heritage Drive, Rock Valley. Its January 1, 2019, assessment was set at \$257,550, allocated as \$36,680 in land value and \$220,870 in dwelling value. (Ex. A).

The Veens petitioned the Board of Review contending their property is assessed for more than the value authorized by law. Iowa Code§ 441.37(1)(a)(2) (2019). The Board of Review denied the petition.

The Veens then appealed to PAAB re-asserting their claim.

General Principles of Assessment Law

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may

consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code R. 701-126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

Findings of Fact

The subject property is a brick one-story home built in 1995. It has 1847 square feet of gross living area (GLA), 927 square feet of average quality basement finish, a patio, and a two-car attached garage. The improvements are listed in normal condition with a 3+00 Grade (good quality). The site is 0.495 acres. (Ex. A).

The Veens purchased the subject property in June 2017 for \$239,000 from a revocable trust. (Exs. 1 & A). The Veens assert this was a normal, arms-length transaction, which is confirmed by the sales condition code assigned by the Assessor's Office.

The Veens submitted a historical review of the assessment of the subject property. (Exs. 4, 6-9, & A). The following table summarizes their evidence.

| Assessment Year | Total Assessed Value |
|-----------------|----------------------|
| 2016 | \$249,640 |
| 2017 | \$251,330 |
| 2018 | \$251,330 |
| 2019 | \$257,550 |

The Veens assert their property has been over assessed since they purchased it and believe the 2019 assessment does not accurately reflect the "unrelated party exchange dated June 15, 2017," in accordance with Iowa Code Section 441.21. (Exs. 1

& 5). There is no evidence in the record suggesting the Veens protested their 2018 assessed value following the purchase of the property. The Veens assert they did not receive notice of their 2018 assessed value. (Ex. 1). In Iowa, property is reassessed in odd numbered years, and it is plausible there would not have been a re-evaluation in 2018. Thus, no notice would have been issued and the assessment was not changed from the previous year.

The Veens further note they have purchased residential properties for prices below the assessed values in Linn, Plymouth, and Dickinson counties. Subsequent to each purchase, the assessed values were reduced to reflect the purchase price. The Veens believe these reductions in the assessments are required to be in accordance with section 441.21(2). (Ex. 1).

The Board of Review submitted five 2018 sales in Rock Valley, which are summarized in the following table. (Ex. D).

| Comparable | Year Built | Gross Living Area (SF) | Basement Finish (SF/Quality) | 2019 Assessed Value | Sale Date | Sale Price | SP/SF |
|---------------------|------------|------------------------|------------------------------|---------------------|-----------|------------|----------|
| Subject | 1995 | 1847 | 927 Avg | \$257,550 | | | |
| 1 - 712 Fairway Dr | 1993 | 1568 | 1413 High | \$290,210 | Dec-18 | \$285,000 | \$181.76 |
| 2 - 1302 7th St | 1994 | 1468 | 546 Avg | \$224,380 | Mar-18 | \$220,000 | \$157.14 |
| 3 - 1209 13th Ave S | 1990 | 1658 | 800 Avg | \$236,930 | Mar-18 | \$236,000 | \$142.34 |
| 4 - 1802 9th St SE | 1972 | 1640 | 800 Avg | \$210,530 | Mar-18 | \$218,000 | \$132.93 |
| 5 - 729 Fairway Dr | 1980 | 1664 | 1000 Avg | \$229,310 | Apr-18 | \$223,000 | \$134.01 |

All of the properties are one-story homes with a two-car attached garage. The subject property is the newest. Sales 1-3 are of similar age being built between 1990 and 1994; Sales 4 and 5 are older and were built in 1972 and 1980 respectively. The Veens' property has the most GLA. Otherwise the sales appear facially comparable to the subject property.

The Board of Review noted the subject's \$119.58 assessed value per square foot is less than all of the unadjusted sales prices per square foot. It did not adjust the sales for any differences that exist between them and the subject property to conclude an opinion of market value as of January 1, 2019.

Analysis & Conclusions of Law

The Veens contend the subject property is over assessed as provided under Iowa Code section 441.37(1)(a)(2).

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted).

Sale prices of property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). Sale prices of property in abnormal transactions not reflecting market value shall not be taken into account or shall be adjusted to account for market distortion. *Id.* The sale price of the subject is a matter to be considered in arriving at market value, but does not conclusively establish that value. *Riley v. Iowa City Bd. of Review*, 549 N.W.2d 289, 290 (Iowa 1996); *McHose v. Property Assessment Appeal Bd.*, 2015 WL 4488252 (Iowa Ct. App. July 22, 2015) (upholding PAAB's decision not to rely on subject's sales price of \$71,900 when evidence showed comparable properties were sold from \$103,000 to \$106,000).

The Veens purchased the subject property one-and-one-half years before the January 1, 2019, assessment. They did not provide any additional evidence of the property's value such as comparable sales, an appraisal, or a Comparable Market Analysis (CMA), which is typical evidence to support a claim of over assessment. Rather they assert the January 1, 2019, assessment should be the same as their previous purchase price.

The Board of Review, however, submitted five sales of reasonably similar one-story homes with finished basements that sold in Rock Valley during 2018. These sales suggest the subject property's sales price, one-and-one-half years prior to the assessment, may not conclusively establish the property's current market value. Moreover, the sales suggest the property appears reasonably assessed, considering it is the newest, has the most GLA, yet still does not have the highest assessment.

Because there have been more recent sales of similar homes in the area, we are not persuaded the 2017 sale price, on its own, is a reliable indication of the property's

January 1, 2019, assessed value. Viewing the record as a whole, we find the Veens failed to support their claim.

Order

PAAB HEREBY AFFIRMS the Sioux County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A (2019).



Karen Oberman, Board Member



Elizabeth Goodman, Board Member



Dennis Loll, Board Member

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